

820 KAR 1:050. Raffle standards.

RELATES TO: KRS 238.545(3), 238.550(5)

STATUTORY AUTHORITY: KRS 238.515(2), (4), (9).

NECESSITY, FUNCTION, AND CONFORMITY: KRS 238.515(2) authorizes the Department of Charitable Gaming to establish reasonable standards for the conduct of charitable gaming and KRS 238.515(9) authorizes the department to promulgate administrative regulations necessary to implement KRS Chapter 238. This administrative regulation establishes standards for the construction and distribution of raffle materials and for the conduct of raffles.

Section 1. Raffle Ticket Construction. (1) Raffle tickets shall have a detachable section or duplicate ticket and shall be consecutively numbered.

(2) The detachable section or duplicate of the ticket shall bear a duplicate number corresponding to the number on the ticket and shall provide space for the purchaser's name, complete address, and telephone number.

(3) The following information shall be printed on each ticket:

- (a) The date and time for each drawing;
- (b) The location of each drawing;
- (c) The name of the charitable organization conducting the raffle;
- (d) The charitable organization's license number or exemption number, if any;
- (e) The price of the ticket; and
- (f) Each prize to be awarded with a fair market value over \$500.

(4) The requirements of subsections (2) and (3) of this section shall be waived if:

- (a) The raffle tickets sell for one (1) dollar or less;
- (b) The raffle sales are initiated and concluded and all winners are selected at a special charity fundraising event; or
- (c) The raffle sales are initiated and concluded and all winners are selected at licensed special limited charity games.

Section 2. Raffle Prizes. (1) A charitable organization conducting a raffle in which real or personal property prizes are to be awarded shall be responsible for the transfer and delivery of the prize without lien or interest of others.

(2) All raffle prizes shall be awarded as indicated on the raffle ticket unless the event at which the raffle was to be conducted is postponed. If the raffle is postponed, all reasonable efforts shall be made to notify ticket holders of the new drawing date.

Section 3. Conduct of Raffles. (1) Any person holding a raffle ticket shall be permitted to observe the raffle drawing.

(2) A person shall not be required to be present at a raffle drawing in order to be eligible for the prize drawing.

(3) Each ticket seller shall return to the charitable organization the stubs or other detachable sections or duplicates of all tickets sold prior to the drawing, and all tickets that were not sold. If all sold tickets are not returned or accounted for, the organization shall not conduct the raffle and shall refund all raffle ticket purchases.

(4) Before drawing, the charitable organization shall place each stub or other detachable section or duplicate of each ticket sold into a receptacle from which the winning tickets are to be drawn. The receptacle shall be designed so that each ticket placed in it has an equal chance to be drawn.

(5) If the winner is not present at the drawing, the organization shall notify the winner by cer-

tified mail within seven (7) days of the drawing that the winner shall claim the prize within thirty (30) days.

(6) If a winner does not wish to claim the prize but wishes to donate it to the organization, the winner shall provide the organization a written statement within the thirty (30) day period stating that the winner wishes to donate the prize to the organization. A prize winner shall not donate the prize back to the organization if to do so would violate KRS 238.540(7).

(7) If a raffle winner does not claim the prize or donate it to the organization within thirty (30) days after having been contacted, the organization shall notify the Department of Charitable Gaming and draw another ticket in the presence of department personnel.

(8) The requirements of subsections (5), (6), and (7) of this section shall be waived, and the organization shall be allowed to draw tickets until a winner is present if:

(a) The raffle tickets sell for one (1) dollar or less;

(b) The raffle sales are initiated and concluded and all winners are selected at a licensed charity fundraising event; or

(c) The raffle sales are initiated and concluded and all winners are selected at a licensed special limited charity fundraising event. (22 Ky.R. 441; eff. 10-13-1995; Recodified from 500 KAR 11:050, 2-23-1999; Am. 32 Ky.R. 771; 1291; 1653; eff. 3-31-2006; 33 Ky.R. 3525; 34 Ky.R. 69; 264; eff. 8-31-2007; 42 Ky.R. 944; eff. 1-4-2016.)